

AMENDED IN ASSEMBLY AUGUST 7, 2013

AMENDED IN ASSEMBLY JUNE 19, 2013

AMENDED IN SENATE MAY 8, 2013

AMENDED IN SENATE APRIL 4, 2013

SENATE BILL

No. 699

Introduced by Senator Hill

February 22, 2013

An act to add ~~Section 353.17~~ *Sections 353.17 and 586* to the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

SB 699, as amended, Hill. Electricity: electrical corporations: ~~Clean~~ *clean* distributed energy resources.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined. The Public Utilities Act *requires each public utility to furnish reports to the commission at the time and in the form as the commission may require and in those reports the utility is required to specifically answer all questions propounded by the commission. The act authorizes the commission to require any public utility to file periodic reports concerning any matter about which the commission is authorized by any law to inquire or to keep itself informed, or which it is required to enforce. The act* requires each electrical corporation, as a part of its distribution planning process, to consider specified nonutility owned distributed energy resources as an alternative to investments in its distribution system to ensure reliable electric services at the lowest possible costs.

This bill would require *an electrical corporation to annually report to the commission capital expenditures included in the distribution category of the electrical corporation's ratebase for each project. The bill would require an electrical corporation to report all interconnection costs charged to the customer for each interconnection agreement to interconnect distributed energy resources. The bill would require the Public Utilities Commission, in consultation with the State Energy Resources Conservation and Development Commission, to direct an electrical corporation to, among other things, determine the location on the distribution grid where clean distributed energy resources, as defined, will provide optimal benefits and to consider and procure clean distributed energy resources, as defined, to meet distribution grid needs as a part of the electrical corporation's transmission and distribution grid infrastructure investments and to consider and procure clean distributed energy resources to meet the electrical corporation's needs as part of any procurement and planning process at the commission, the State Energy Resources Conservation and Development Commission, or the Independent System Operator.*

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the Public Utilities Commission is a crime.

Because the provisions of this bill are within the act and require action by the Public Utilities Commission to implement its requirements, a violation of these provisions would impose a state-mandated local program by creating a new crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) Clean distributed energy resources, including distributed
- 4 generation, can reduce emissions of greenhouse gases, reduce
- 5 criteria air pollution, reduce water consumption, increase grid

1 reliability, localize power generation, and decrease reliance on
2 large, polluting generation facilities.

3 (b) The Legislature has established programs and policies to
4 support the commercialization and growth of clean distributed
5 generation technologies, including the California Solar Initiative,
6 combined heat and power feed-in tariffs pursuant to the Waste
7 Heat and Carbon Emissions Reduction Act, the self-generation
8 incentive program, and the renewable market adjusting tariff.

9 (c) A central impediment to increased proliferation of distributed
10 energy resources is a lack of transparency in current utility
11 infrastructure investments in the distribution grid and in the costs
12 and process associated with interconnection to the utility grid,
13 costs that are ultimately borne by ratepayers.

14 (d) Transparency on what distribution grid investments have
15 been made will allow policymakers and stakeholders to better
16 understand and evaluate what types of clean distributed energy
17 resources may be more cost effective and better serve the grid and
18 ratepayers for future investments.

19 SEC. 2. Section 353.17 is added to the Public Utilities Code,
20 to read:

21 353.17. (a) The commission, in consultation with the Energy
22 Commission, shall ~~direct each electrical corporation to~~ do all of
23 the following:

24 ~~(1) Determine the location on the distribution grid where clean~~
25 ~~distributed energy resources will provide optimal benefits.~~

26 ~~(2) Quantify the benefits of those resources.~~

27 ~~(3) Report to the commission the costs and locations of current~~
28 ~~investments in the distribution grid, including relevance to the~~
29 ~~interconnection and management of clean distributed energy~~
30 ~~resources.~~

31 ~~(4) Procure~~

32 *(1) Direct each electrical corporation to consider and procure*
33 *clean distributed energy resources to meet distribution grid needs*
34 *as a part of the electrical corporation's transmission and distribution*
35 *grid infrastructure investments.*

36 *(2) Direct each electrical corporation to consider and procure*
37 *clean distributed energy resources to meet the electrical*
38 *corporation's needs as part of any procurement and planning*
39 *process at the commission, the Energy Commission, or the*
40 *Independent System Operator.*

(b) For the purposes of this section, “clean distributed energy resources” means an electric generation technology that meets both of the following requirements:

(1) Reduces greenhouse gas emissions as determined by the State Air Resources Board greenhouse gas emissions factor pursuant to the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code).

(2) Complies with emission standards and guidance adopted by the State Air Resources Board pursuant to Sections 41514.9 and 41514.10 of the Health and Safety Code.

(3) Is interconnected to the electrical corporation’s distribution grid.

SEC. 3. Section 586 is added to the Public Utilities Code, to read:

586. (a) For capital expenditures included in the distribution category of the electrical corporation’s ratebase, the electrical corporation shall annually report expenditures for each project, including all of the following:

(1) The total dollar amount.

(2) The type of equipment installed.

(3) The purpose of the expenditure.

(b) The report shall also include the rationale for the deployment of distributed energy resources, both existing and projected, factored into its distribution planning assumptions and expenditures. This shall include both a summary of the methodologies used to track and anticipate distributed energy system deployments and how that information is then used for distribution planning.

(c) For each interconnection agreement executed with customers that interconnect distributed energy resources, the electrical corporation shall report all interconnection costs charged to the customer.

~~SEC. 3.~~

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of

1 the Government Code, or changes the definition of a crime within
2 the meaning of Section 6 of Article XIII B of the California
3 Constitution.

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